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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/735,323	12/12/2003	Keith Alan Moriarty	92.1048	2266
23718	7590	09/06/2006		EXAMINER
SCHLUMBERGER OILFIELD SERVICES 200 GILLINGHAM LANE MD 200-9 SUGAR LAND, TX 77478			GAY, JENNIFER HAWKINS	
			ART UNIT	PAPER NUMBER
			3672	

DATE MAILED: 09/06/2006

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary	Application No.	Applicant(s)	
	10/735,323	MORIARTY ET AL.	
	Examiner	Art Unit	
	Jennifer H. Gay	3672	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --
Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) Responsive to communication(s) filed on 14 July 2006.
- 2a) This action is FINAL. 2b) This action is non-final.
- 3) Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) Claim(s) 1-20 is/are pending in the application.
- 4a) Of the above claim(s) 8-20 is/are withdrawn from consideration.
- 5) Claim(s) _____ is/are allowed.
- 6) Claim(s) 1-7 is/are rejected.
- 7) Claim(s) _____ is/are objected to.
- 8) Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) The specification is objected to by the Examiner.
- 10) The drawing(s) filed on _____ is/are: a) accepted or b) objected to by the Examiner.
 Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
 Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
 - a) All b) Some * c) None of:
 1. Certified copies of the priority documents have been received.
 2. Certified copies of the priority documents have been received in Application No. _____.
 3. Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
- * See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|---|---|
| 1) <input type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413) |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | Paper No(s)/Mail Date. _____. |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08) | 5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152) |
| Paper No(s)/Mail Date _____. | 6) <input type="checkbox"/> Other: _____. |

DETAILED ACTION

Claim Objections

1. Claims 8-20 are objected to because of the following informalities: Claims 8-20 are indicated as and labeled as "Withdrawn" however the application ha never been subject to a restriction and thus there is no reason to withdraw claims. It is believed that applicant intended claims 8-20 to be cancelled in the instant application. Claims 8-20 should be properly labeled in the response to this Office Action. Appropriate correction is required.

Claim Rejections - 35 USC § 102

2. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of application for patent in the United States.

(e) the invention was described in (1) an application for patent, published under section 122(b), by another filed in the United States before the invention by the applicant for patent or (2) a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent, except that an international application filed under the treaty defined in section 351(a) shall have the effects for purposes of this subsection of an application filed in the United States only if the international application designated the United States and was published under Article 21(2) of such treaty in the English language.

3. Claims 1, 2, 4, 7-9, 14, 15, and 17-20 are rejected under 35 U.S.C. 102(b) as being anticipated by Hahn et al. (US 6,419,033).

Regarding claim 1: Hahn et al. discloses a directional casing drilling system. The system includes the following features:

- A casing string **120**.
- A mud motor **149** operatively coupled to the casing string.
- A rotary steerable system **145** operatively coupled to the mud motor wherein no portion of the rotary steerable system exposed to the earthen formation is stationary with respect to the formation while drilling (3:54 and 55).
- A drill bit **131** operatively coupled to the rotary steerable system.

Regarding claims 2, 9: The system further includes a underreamer 132 disposed below the casing string and above the drill bit and being operatively coupled to the casing string.

Regarding claim 4: The rotary steerable system is a push-the-bit system.

Regarding claim 7: The system further includes a casing latch 152.

Regarding claim 8: Hahn et al. discloses a direction casing drilling system that includes the following features:

- A casing string 120 that includes an integral bend proximate a lower end of the casing string (Figure 1).
- A mud motor 149 operatively coupled to the casing string.
- A drill bit 131 operatively coupled to the rotary steerable system.

Regarding claim 14: Hahn et al. further discloses a method for using the above system. The method involves rotating the casing string at a first speed, rotating the drill bit at a second speed via the motor (3:54, 55; due to the length of the casing string and the friction imparted thereon, the casing would inherently rotate and a slower speed than the drill bit that is rotated by the mud motor), changing the direction of the bit by operating the rotary steerable system (4:48-50).

Regarding claim 15: The method further involves enlarging a pilot hole 141 drilled by the drill bit using the underreamer.

Regarding claims 17-20: The method further involves measuring the drill bit azimuth and inclination, positioning the casing to point in the desired azimuthal direction, and using the mud motor to rotate the drill bit to drill a straight path (4:40-5:22).

Claim Rejections - 35 USC § 103

4. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

5. Claims 3, 5, 6, 11-13, and 16 are rejected under 35 U.S.C. 103(a) as being unpatentable over Hahn et al. in view of Chen et al. (US 6,877,570).

Regarding claims 3, 16: Hahn et al. discloses all of the limitations of the above claim(s) except for the system including a casing shoe cutter located at the bottom end of the casing string.

Chen et al. discloses a system similar to that of Hahn et al. The system further includes a casing shoe cutter at a bottom end of the casing string (5:58-61).

It would have been considered obvious to one of ordinary skill in the art, at the time the invention was made, to have modified the system of Hahn et al. to include the casing shoe cutter taught by Chen et al. in order to have been able to cut off the blades of the underreamer instead of retracting them.

Regarding claim 5: Hahn et al. discloses all of the limitations of the above claim(s) except for the system being a point-the-bit system.

The rotary steerable system of Chen et al. is a point-the-bit system.

It would have been considered obvious to one of ordinary skill in the art, at the time the invention was made, to have modified the system of Hahn et al. to be a point-the-bit system as taught by Chen et al. in order to have used a more accurate wellbore deviation method that was controlled by downhole sensors and measurement devices.

Regarding claims 6, 11, 12: Hahn et al. discloses all of the limitations of the above claim(s) except for the system including a measurement while drilling collar located above the mud motor.

The system of Chen et al. further includes a measurement while drilling collar 44 disposed above the mud motor and operatively coupled to the casing string.

It would have been considered obvious to one of ordinary skill in the art, at the time the invention was made, to have modified the system of Hahn et al. to include a measurement while drilling collar as taught by Chen et al. in order to have been able to monitor downhole conditions and the direction of the drill bit.

Regarding claim 13: Hahn et al. discloses all of the limitations of the above claim(s) except for the system including an off-set centralizer located within the lower end of the casing string.

The system of Chen et al. further includes an offset centralizer **52** disposed inside the casing string at a lower end thereof.

It would have been considered obvious to one of ordinary skill in the art, at the time the invention was made, to have modified the system of Hahn et al. to include an off-set centralizer as taught by Chen et al. in order to have ensured proper positioning of the remainder of the system relative to the casing string.

6. Claim 10 is rejected under 35 U.S.C. 103(a) as being unpatentable over Hahn et al. in view of Parant (US 4,842,081).

Hahn et al. discloses all of the limitations of the above claims except for the mud motor being disposed within the casing.

Parant discloses a method and system for drilling with casing. Parant further teaches placing a mud motor **22** used to rotate the bit within the casing **1**.

It would have been considered obvious to one of ordinary skill in the art, at the time the invention was made, to have modified the system and method of Hahn et al. such that the mud motor was located within the casing as taught by Parant in order to have protected the motor from contact with the wellbore wall.

Response to Arguments

7. In view of applicant's amendment, the objection to the specification has been withdrawn.
8. Applicant's arguments filed July 14th, 2006 have been fully considered but they are not persuasive.

Applicant has argued that Hahn et al. does not disclose a rotary steerable system where no portion of the rotary steerable system exposed to the earthen formation is stationary with respect to the formation while drilling. In response, the examiner notes that while sleeve **144**, the element referred to by applicant, is considered to be substantially stationary with respect to the drill bit, the sleeve is specifically recited as rotating to a certain degree (3:54 and 55). Therefore, the rotary steerable system of Hahn et al. does teach the above feature.

Conclusion

9. **THIS ACTION IS MADE FINAL.** Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the mailing date of this final action.

10. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Jennifer H. Gay whose telephone number is (571) 272-7029. The examiner can normally be reached on Monday-Thursday, 6:30-4:00 and Friday, 6:30-1:00.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, David Bagnell can be reached on (571) 272-6999. The fax phone number for the organization where this application or proceeding is assigned is 571-272-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

Jennifer H Gay
Primary Examiner
Art Unit 3672

JHG
August 31, 2006